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FLOOR DEBATE

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exemption kind of process whereby if you're selling real estate and you're buying, or you want to buy or you think you can buy other real estate within a certain period of time, I think it's six months, I may not be quite right on that; but in any event, if you put that money in escrow and then buy additional real estate within a certain period of time, you don't have to pay the capital gain on the sale of the original property. So you sell a piece of property, you might have \$100,000, \$200,000, \$300,000 in escrow for a while until you buy the new property. That's the 1031 transaction, and that money is not going to be protected until we take further action next year, unless a particular institution or type of institution have themselves voluntarily provided some kind of financial protection. So please don't tell your constituents that you've solved the whole problems, particularly if they're interested in a 1031 transaction because we still need to deal with that area. Thank you.

SPEAKER KRISTENSEN: Senator Bromm.

SENATOR BROMM: Thank you very much, Mr. Speaker. I wonder if I could ask Senator Landis a couple of questions.

SPEAKER KRISTENSEN: Senator Landis.

SENATOR LANDIS: Yes, I'll do my best.

SENATOR BROMM: Senator Landis, this closing guarantee or letter, is there normally going to be an additional cost with that, or what will the title insurance company charge to provide that? Is there an industry stand on that?

SENATOR LANDIS: I will tell you this, that we do not make any change with respect to their right to charge a fee or not charge a fee, so it's existing law. And the common practice now is not to charge a fee. But I will...there may be some generalized language in the land title area that fees might be charged. I can't tell you that there isn't. There's no new authority to charge. The common practice up until now is not to charge. It's been a matter of faxing infor...faxing a letter back from the home office. That's the way it's done now.